

RECEIVED  
FEDERAL ELECTION  
COMMISSION

**FEDERAL ELECTION COMMISSION**

999 E Street, NW  
Washington, DC 20463

2012 MAY -1 PM 1:02

**FIRST GENERAL COUNSEL'S REPORT**

**CELA**

RAD REFERRAL 12L-04

DATE RECEIVED: February 2, 2012

DATE ACTIVATED: April 3, 2012

EARLIEST SOL: February 20, 2013

LATEST SOL: February 20, 2016

**SOURCE:**

Internally Generated

**RESPONDENT:**

National Organization for Women PAC and  
Allendra Letsome, in her official capacity as  
treasurer

**RELEVANT STATUTES:**

2 U.S.C. § 434(b)

11 C.F.R. § 104.5

**INTERNAL REPORTS CHECKED:**

Disclosure Reports

**FEDERAL AGENCIES CHECKED:**

None

**I. INTRODUCTION**

The Reports Analysis Division ("RAD") referred the National Organization for Women PAC and Allendra Letsome, in her official capacity as treasurer, ("Committee") to the Office of the General Counsel ("OGC") for failing to disclose, in the aggregate, \$82,959.49 in receipts and \$143,899.65 in disbursements. In total, the Committee filed 30 erroneous disclosure reports with the Commission from 2008 to 2011. In response, the Committee acknowledges the reporting errors but requests that the Commission take no further action and send the Committee an admonishment letter, or alternatively refer the matter to Alternative Dispute Resolution ("ADR").

Based on the available information, we recommend that the Commission open a MUR in connection with RR 12L-04 and find reason to believe that the Committee violated 2 U.S.C.

13044330765

§ 434(b) by failing to disclose accurately receipts and disbursements in reports to the Commission.

## **II. FACTUAL AND LEGAL ANALYSIS**

### **A. Factual Background**

From March 28 to 30, 2011, the Committee amended 30 reports to the Commission to disclose additional receipts totaling \$82,953.49 and additional disbursements totaling \$143,899.65. These amendments are reflected in the chart below.

Report	Date of Amendment	Increased Receipts	Increased Disbursements	Total
2008 February Monthly	March 28, 2011	NA	\$2,279.75	\$2,279.75
2008 March Monthly	March 28, 2011	\$1,755.10	\$2,014.93	\$3,790.03
2008 April Monthly	March 28, 2011	\$2,118.00	NA	\$2,118.00
2008 May Monthly	March 28, 2011	\$415.95	NA	\$415.95
2008 June Monthly	March 28, 2011	\$7,374.00	\$5,927.81	\$13,301.81
2008 July Monthly	March 28, 2011	\$282.00	\$8,507.95	\$8,789.95
2008 August Monthly	March 28, 2011	\$1,667.30	\$18,000.00	\$19,667.30
2008 September Monthly	March 28, 2011	\$27,181.81	\$23,000.00	\$50,181.81
2008 October Monthly	March 28, 2011	\$44,353.78	\$13,907.75	\$28,261.53
2008 12 Day Pre-General	March 28, 2011	NA	\$23,000.00	\$23,000.00
2008 30 Day Post-General	March 28, 2011	\$17,121.51	\$21,000.50	\$38,122.01
2008 Year-End	March 28, 2011	\$363.60	\$17,000.00	\$17,363.60
2009 February Monthly	March 28, 2011	\$247.00	NA	\$247.00
2009 March Monthly	March 30, 2011	\$2,225.00	NA	\$2,225.00
2009 April Monthly	March 30, 2011	\$1,225.00	\$1,000.00	\$2,225.00
2009 May Monthly	March 30, 2011	\$947.05	\$390.00	\$1,337.05
2009 June Monthly	March 30, 2011	\$1,274.29	\$49.11	\$1,323.40
2009 December Monthly	March 30, 2011	\$221.15	\$2,770.25	\$2,991.40
2009 Year-End	March 30, 2011	\$424.48	NA	\$424.48
2010 February Monthly	March 30, 2011	\$388.98	\$1,700.45	\$2,089.43
2010 March Monthly	March 30, 2011	\$293.74	NA	\$293.74

13044330766

2010 April Monthly	March 30, 2011	\$319.84	NA	\$319.84
2010 May Monthly	March 30, 2011	\$275.17	\$136.99	\$412.16
2010 June Monthly	March 30, 2011	\$521.00	\$434.41	\$955.41
2010 July Monthly	March 30, 2011	\$178.00	NA	\$178.00
2010 August Monthly	March 30, 2011	\$198.00	NA	\$198.00
2010 September Monthly	March 30, 2011	\$450.13	\$129.30	\$579.43
2010 12 Day Pre-General	March 30, 2011	\$648.59	\$2,650.45	\$3,299.04
2010 Year-End	March 30, 2011	\$15.00	NA	\$15.00
2011 February Monthly	March 30, 2011	\$468.02	NA	\$468.02
	<b>TOTAL</b>	<b>\$82,953.49</b>	<b>\$143,899.65</b>	<b>\$226,873.14</b>

1           Following these numerous amendments, on October 13, 2011, RAD sent the Committee a  
2   Request for Additional Information ("RFAI") inquiring about the increased activity disclosed on  
3   these reports. Letter from Kevin Fortkiewicz, Campaign Finance Analyst, Federal Election  
4   Commission, to Allendra Letsome, Treasurer, National Organization for Women PAC (Oct. 13,  
5   2011) (on file at [www.fec.gov](http://www.fec.gov)). The RFAI noted that the amended reports disclosed a  
6   substantial increase in the amount of receipts and disbursements relative to those disclosed in the  
7   original reports. *Id.* It further requested that the Committee either amend the reports or provide  
8   an explanation to clarify why the additional activity was not provided in the original reports. *Id.*  
9   In response to the RFAI, the Committee filed a Miscellaneous Text Submission (Form 99)  
10   explaining that the Committee had conducted a comprehensive, voluntary internal audit of all  
11   financial reporting from 2008 to present and had filed amendments to correct reporting  
12   discrepancies discovered during that audit. National Organization for Women PAC, Form 99  
13   (filed Nov. 9, 2011).

14           RAD referred the Committee to OGC for failing to disclose receipts totaling \$82,953.49  
15   and disbursements totaling \$143,899.65. See Memorandum from Patricia Carmona, Chief  
16   Compliance Officer, Federal Election Commission, to Anthony Herman, General Counsel,

13044330767

1 Federal Election Commission (Feb. 2, 2012) (hereinafter "Referral").

2

3

4

5

6

Upon receipt of the Referral,

7

OGC notified the Committee about this matter on February 3, 2012. *See Agency Procedure for*

8

*Notice to Respondents in Non-Complaint Generated Matters*, 74 Fed. Reg. 38617 (Aug. 4,

9

2009).

10

In response to the Referral, the Committee again acknowledged the reporting errors. *See*

11

Letter from Neil Reiff, Counsel for National Organization for Women PAC and Allendra

12

Letsome, to Erik Morrison, Office of the General Counsel, Federal Election Commission

13

(Mar. 23, 2012) (hereinafter "Response"). The Committee requested, however, that the

14

Commission take no further action and send the Committee an admonishment letter, or

15

alternatively refer the matter to ADR. *Id.* at 1, 3. The Committee explained that the

16

Committee's current officers and compliance staff came into office after a contested election in

17

July 2009, and did not discover that the Committee's reports contained errors until several

18

months later. *Id.* at 2. The Committee stated that the current officers and compliance staff were

19

not able to discuss the circumstances regarding the errors with the prior officers, but undertook a

20

project to review and correct all reports filed with the Commission beginning on January 1,

21

2008. *Id.* The Committee further stated that it is in the process of refining its procedures to

13044330768

1 prevent future errors, including training and review by an outside campaign finance consultant.

2 *Id.* at 3. The Committee also noted that the majority of increased activity consisted of internal  
3 transfers between the National Organization of Women and the Committee, not direct  
4 contributions or disbursements. *Id.* at 2. Finally, the Committee noted that, at the time the  
5 current officers took control of the National Organization of Women, it was approximately  
6 \$1,000,000 in debt, and the Committee remains "a relatively moribund organization" with  
7 continuing financial difficulties. *Id.*

8 **B. Legal Analysis**

9 The Federal Election Campaign Act of 1971, as amended ("the Act"), requires committee  
10 treasurers to file reports of receipts and disbursements in accordance with the provisions of  
11 2 U.S.C. § 434. *See* 2 U.S.C. § 434(a)(1); 11 C.F.R. § 104.1(a). These reports must include,  
12 *inter alia*, the total amount of receipts and disbursements. *See* 2 U.S.C. § 434(b); 11 C.F.R.  
13 § 104.3. The Act also requires committees to disclose itemized breakdowns of receipts and  
14 disbursements; and disclose the name and address of each person who has made any contribution  
15 or received any disbursement in an aggregate amount or value in excess of \$200 within the  
16 calendar year, together with the date and amount of any such contribution or disbursement. *See*  
17 2 U.S.C. § 434(b)(2)-(6); 11 C.F.R. §§ 104.3(a)(3)-(4), (b)(2)-(4).

18 Here, the Committee did not comply with the Act's reporting requirements when it failed  
19 to disclose \$82,953.49 in receipts and \$143,899.65 in disbursements on its 30 original reports  
20 listed above. We therefore recommend the Commission find reason to believe that the  
21 Committee violated 2 U.S.C. § 434(b).

15044330769

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

13044330770

13044330771

1 **IV. RECOMMENDATIONS**

- 2 1. Open a MUR in RR 12L-04.  
3  
4 2. Find reason to believe that the National Organization for Women PAC and  
5 Allendra Letsome, in her official capacity as treasurer, violated 2 U.S.C. § 434(b).  
6  
7 3. Approve the attached Factual and Legal Analysis.  
8  
9 4.  
10  
11  
12  
13 5.

13044330772



6. Approve the appropriate letters.

Anthony Herman  
General Counsel

Daniel A. Petalas  
Associate General Counsel

Date

4-30-12

BY:

Kathleen M. Guith  
Kathleen M. Guith  
Deputy Associate General Counsel  
for Enforcement

Roy Q. Luckett  
Roy Q. Luckett  
Acting Assistant General Counsel

Allison T. Steinle by RA  
Allison T. Steinle  
Attorney

13044330773